



## Budget and Spending Task Force Weekly Report

Congressman Jim Jordan (R-OH), Chairman

September 29, 2010

### Congress to Consider CR This Week

With the next fiscal year two days away, the Democrat Congress has yet to enact any of the twelve FY 2011 appropriations bills needed to keep the government running beyond this month. This week—as early as today—the House will consider a short term continuing resolution (H.R. 3081) to keep the government running generally at FY 2010 levels through December 3, 2010. The following are some of the modifications to FY 2010 spending included in the continuing resolution:

- Reduces the rate of operations for the Census from \$7 billion to \$964 million;
- Reduces the rate of operations for BRAC from \$7 billion to \$2.35 billion;
- Increases the rate of operations for Foreign Military Financing by \$965 million (to include FY 2009 supplemental funding for Jordan, Israel, and Egypt); and
- Provides a \$700 million rate of operations for the Pakistan Counterinsurgency Capability Fund.

#### Quote of the Week:

*“If the Senate can’t do anything, our position is clear... We don’t need to have a vote to let the American people know where we stand.”*

**-Steny Hoyer, 9/23/10**

**Table: Domestic Savings Proposed by RSC Continuing Resolution**  
(In Millions of Dollars)

Bill	RSC Plan	Democrat FY 11 Plan	Savings
Agriculture	18,093	23,304	5,211
CJS	51,803	60,536	8,733
Energy and Water	30,888	34,669	3,781
Financial Services	20,599	24,500	3,901
Interior	26,555	32,240	5,685
Labor-HHS	144,841	176,412	31,571
Legislative Branch	3,970	4,656	686
State-Foreign Ops	32,800	53,983	21,183
Transportation-HUD	48,841	67,400	18,559
<b>Total</b>	<b>378,450</b>	<b>477,860</b>	<b>99,410</b>

By contrast, the RSC has proposed a more responsible solution to close out this year’s appropriations process (H.J.Res. 96). The RSC plan is a full-year continuing resolution for FY 2011 that protects defense and veterans spending, while returning all other discretionary spending to FY 2008 levels—the amounts in effect prior to this Congress’s spending spree. As illustrated above, this saves \$99 billion compared to the Democrat FY 2011 spending plan. Additionally, the plan will defund Obamacare, prohibit any FY 2011 appropriations from being used for earmarks, and protect all of the pro-life and other values riders.

### Democrat Tax Plan Equals Much Higher Taxes *and* Spending Than Clinton Era

Democrats propose to increase the top federal income tax bracket from 35% to 39.6% by allowing a portion of the existing tax code (the top income bracket tax relief enacted in 2001) to expire. The common refrain from Democrats is that the U.S. should return to the tax burden of the Clinton Presidency. During this period, federal revenues averaged 19.0% of GDP. Allowing the tax cuts to expire, even without any further tax increases, will lead to tax revenues equal to 20.7% of GDP by 2020, 23.5% of GDP by 2035, and eventually to more than 30% of GDP. On the spending side, in President Clinton’s last two budgets, outlays were **18.2%** of GDP. Under the President’s budget, federal spending will be an average of **23.5%** of GDP over the next ten years. Spending restraint offers a more useful path to a sustainable budget outlook.

**For more information, please contact Brad Watson at x69719**